

School Nutrition Programs Information Memorandum # 07-21

Procurement Questions and Answers

TO: School Food Service Contacts
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Question: How would a company bid for a national contract?

Answer: A national education management company interested in awarding a national FSMC contract would do so in the same fashion as awarding a contract to service a single SFA. The procurement must be in compliance with 7 CFR 210, 7 CFR 3016/3019 and each State Agency's (SA) requirements for School Food Authorities (SFAs) participating in the NSLP. Additionally, the company would be responsible for verifying with each SA within those states the ability of each of its SFAs to participate in a multi-state contract.

Each State Agency must be concerned that the contract satisfies all procurement rules. Also, check with your legal department to verify whether applicable SA laws permit an entity in the respective state to participate in a multi-state contract.

USDA does not approve national contracts, nor provide prototype contracts.

Question: If two public SFAs split a truckload of processed chicken nuggets, how do you determine if the SFAs will be required to use formal procurement procedures?

Answer: First, the awardee must determine the value of the award. The value of an award (i.e. contract) is the aggregate value of the purchase. The estimated value of the award would include the bulk chicken (if purchased commercially), the services of processing the chicken, delivery charges, packaging or unitizing charges, storage, etc. However, if the product is USDA donated, then the value of the chicken is not included in the award.

Second, if each SFA is soliciting and awarding its own processing contract for the end product, then each SFA would test the value of its award against the small purchase threshold. If the two SFAs were to combine their product and one contract was awarded, then they would be required to total their individual values into one amount, and test it against the threshold.

As always, each SFA is responsible to guarantee that it is in compliance with all applicable Federal, State, and local procurement regulations, policy, statutes, and guidelines.